SHRI BRAHM DUTT: This is a very valid question. We have got a perspective plan. First of all, we are trying to explore the presence of the hydro carbon, whether natural gas or oil. There are three categories, where the presence is known, where the presence is commercially established and where exploitation is being made. So, we are taking ample care and a good care so that our reserves are established from time to time and we do not exhaust all our reserves.

SHRI NIRMAL CHATTERJEE: The question was about such items which consume oil.

MR. CHAIRMAN: What Mr. Jha wanted to know was whether you are taking measures for conservation of your reserves and you are not depleting it. This was the question and it has been answered.

SHRI NIRMAL CHATTERJEE: Not production; those items which consume oil.

MR. CHAIRMAN: For that, you will have to put a separate question. Mr. Chitta Basu now.

SHRI CHITTA BASU: You might have observed that the Minister has said that we possess the requisite and latest oil technology in respect of exploration etc. If that is so, may I know from the hon. Minister whether certain blocks are being parcelled out for foreign companies for exploration work in our country? If so, what are the terms and conditions of the contract being reached with foreign companies in the matter of exploration of oil in our country? Part (b) of the question is whether it is also a fact that in order to increase the productivity of oil in our country, you have recently appointed a consultancy firm of the United States of America. If so, what are the terms and conditions for the appointment of that consultancy firm in our counry? Would the hon. Minister explain these two points in details as far as possible?

MR. CHAIRMAN: The original question relates to the increase in production of crude oil, and unless the Minister is prepared to answer it, you will have to put a separate question.

SHRI CHITTA BASU: Sir, I am completely within the parameters of the question. The question relates to production; production is related to productivity, and ...

MR. CHAIRMAN: No, you cannot go on. Next question 62.

Plan for rehabilitation of sick industrial units

*62. SHRI PARVATHANENI UPENDRA: Will the Minister of INDUSTRY be pleased to state:

(a) whether any comprehensive plan has been formulated by Government for the rehabilitation of sick industrial units in the country;

(b) if so, what are the details thereof;

(c) whether the policy of taking over by the Government of such industrial units has been reviewed; and

(d) if so, what are the details of the new policy?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) to (d) A statement is laid on the Table of the House.

Statement

(a) and (b) The Reserve Bank of India in consultation with the banks and financial institutions has evolved a mechanism which helps in detecting industrial sickness at the incipient stage. The financial institu-

tions and the banks also draw rehabilitation plans in respect of sick industrial units after ascertaining their viability. In addition, Government have enacted a comprehensive piece of legislation, namely "The Sick Industrial Companies (Special Provisions) Act, 1985" which provides for setting up of a quasi-judicial body known as the Board for Industrial and Financial Reconstruction (BIFR) to deal with the problem of sick industrial companies in the country in an effective manner. The BIFR is empowered to consider various aspects of revival and rehabilitation of a sick industrial company, such as change of management, amalgamation with healthy company, sale, or lease of a part or whole of the undertaking or such other preventive, ameliorative and remedial measures, as may be considered appropriate. The BIFR has been constituted by the Government in January 1987.

(c) and (d) The general policy of the Government is not to take over the management of sick industrial units, as the scarce resources of the country can be better deployed in the setting up of new units which are both viable and efficient.

SHRI PARVATHANENI UPENDRA: The problem of sickness in industry is very severe. According to official estimates, there are nearly 600 sick units in the large and medium scale sector alone, and more than one lakh sick units in small-scale sector. I would like to know from the hon. Minister one thing. Under the existing giudelines, rehabilitation package must be cleared by the Banks and State Governments within 60 days. Is it being strictly observed? Simultaneously, time-frames have been laid down for enquiries by banks and operating agencies to determine whether a unit is sick or not, and also to prepare schemes for rehabilitation. Are these time-frames adhered to?

SHRI M. ARUNACHALAM: Sir, as far as guidelines are concerned, Government have issued strict guidelines to the banks. I think, the banks are following the 60 days norm. If there is any specific instance, we will take it up with the Department of Banking. As far as the second part of the question is concerned, Government is concerned about the sickness and we are earnest in tackling the problem. We are taking all possible measures.

SHRI PARVATHANENI UPENDRA: Sir, my question was whether the time-frame laid down for enquiry by the banks is being observed. This was the second part of my first question.

SHRI M. ARUNACHALAM: As far as the second part of the question is concerned, the BIFR, which has not yet started operating, will take care of this.

MR. CHAIRMAN: Mr. Upendra, it is the Department of Banking which has to do it.

SHRI PARVATHANENI UPENDRA: But he has to monitor that. Now, Sir, my second supplementary is, if price and distribution controls have resulted in the units becoming sick, is the Government prepared to relax such controls? Part (b), whether any mechanism has been evolved so that the preventive monitoring of incipient sickness is strengthened?

SHRI J. VENGAL RAO: Sir, a sick industrial undertakings cell has been set up in the RBI to function as a clearing house for information relating to sick units and also to act as a co-ordinating agency between the Government, banks, financial institutions and other agencies for tackling various related issues. Second, State-level inter-institutional committees have been set up at all the regional offices of the Department of Banking Operations and Development of the RBI for the purpose of ensuring better co-ordination

between the banks, State Governments, Central and State-level financial institutions and other agencies. Third, a standing co-ordination committee has been constituted by the RBI to consider the issues relating to co-ordination between the commercial banks and term-lending institutions on an on-going basis. Fourth, a special cell has been set up within the Rehabilitation Banking Division of the IDBI for attending to references from banks in respect of their sick and problem cases.

SHRI PARVATHANENI UPENDRA: Sir, have you heard the answer?

MR. CHAIRMAN: I am not deaf.

SHRI PARVATHANENI UPENDRA: Anyway, Sir, I am grateful to him that he has given some additional information. But my question was, if the price and distribution controls have resulted in the units becoming sick, is the Government prepared to relex such controls. Secondly, I would like to know whether for the purpose of preventive monitoring of incipient sickness any machinery has been evolved.

SHRI J. VENGAL RAO: There is no other machinery except the BIFR. The Department of Banking has constituted this Board which is expected to functioning from the 15th May and it will take acre of this.

MR. CHAIRMAN: He wanted to know specifically whether the rules will be relaxed to enable the sick units to become viable. You can say that you will consider it on the merits of each case.

SHRI J. VENGAL RAO: Sir, to be very frank, it is impossible to revive the sick units. Instead of sinking money in this, it is better to establish new units

श्री वीरेन्द्र वर्मा : माननीय मंत्री जी के उत्तर के भाग (सी) और (डी) से संबंधित मेरा प्रश्न है –

"Government is not taking over the management of sick units in future." मैं माननीय मंत्री जी से यह जानना चाहता हूं कि इससे पेश्तर जो सिक यनिट्स उत्तर प्रदेश और बिहार में सैकडों की तादाद में ली गई हैं उनके संबंध में सरकार की क्या पालिसी है ?

SHRI J. VENGAL RAO: Sir, Government is not a hospital to admit all sick units. Majority of the sick units are in Maharashtra, West Bengal, Tamil Nadu, U.P. and Gujarat. In 1985, the number of sick units was 1,19,606 and the amount invested was Rs. 4,270.93 crores.

MR. CHAIRMAN: He did not want all these details. He was specifically directing this question towards sick units in Bihar and U.P.

SHRI J. VENGAL RAO: Sir, as has been mentioned in the answer, Government's intention is not to take over sick industrial units.

श्री वीरेन्द्र वर्मा : जो पहले ली हुई है, उनका कह रहा हूं। फ्यूचर में तो सिक यूनिट्स आप लेंगे नहीं।

मेरा स्पेसिफिक क्वश्चन यह है कि जो उत्तर प्रदेश और बिहार में सिक शूगर इंडस्ट्री गवर्नमेंट ने ली है, उस संबंध में गवर्नमेंट क्या कर रही है ? मैं तो यह पूछ रहा हूं।

SHRI M. ARUNACHALAM: Sir, after 1981 no industrial unit has been taken over under the IDR Act.

MR. CHAIRMAN: He wants to know, what is the future...

SHRI J. VENGEL RAO: Sir, sugar industry is not under uor Ministry. It is under a separate Ministry.

SHRI VIRENDRA VERMA: Are they not sick units? (*Interruptions*).

AN HON. MEMBER: What is the question and what is the reply?

श्री राम अवधेश सिंह : क्वश्चन क्या है, जवाब क्या है ? ल जवाब है ।

MR. CHAIRMAN: Two different wavelengths.

SHRI A. G. KULKARNI: Sir, the Minister in his reply, in sixth or seventh sentence, has said:

> "....rehabilitation plans in respect of sick industrial units after ascertaining their viability."

I am concerned with the small and medium scale industries and here the 'viability' is in question. Sir, the banks give advances after the project report is given and then the industry starts. But for reasons beyond the contemplation of the small industrialists or entrepreneurs due to increase in the energy tariff, due to sales tax and then due to the rise in administered prices, the units become sick. In Maharashtra the energy tariff has gone to 95 paise per unit. And in reply to a question from Mr. Upendra you have said that the assistance can be given within 60 days of the receipt of a reply from banks. I want to konw whether the Government is serious enough to see that the small-scale medium-scale units are made viable once advances have been given to them to start the units. Having started, the small and medium scale industries give employment in the rural and mofussil areas. The Government must be serious. I am not asking for relaxing the rules, but the problem will arise when the banks will sit over the sentence 'ascertaining the viability' and say "you are not viable." Finish Many entrepreneurs, having come from abroad, having started an industry after investing money, are now repenting.

So, Mr. Minister, I would request you to take it very seriously. Many of the small and medium scale industries are languishing because of the ineptitude of the Industry Ministry.

MR. CHAIRMAN: I would tell the hon. Members that if you put long questions, you may not get any answers, probably short answers or no answers, because it is not possible for them to follow all these things. Therefore, if you put a pointed question...

SHRI A. G. KULKARNI: But the Minister must at least understand what I am talking. (*Interruptions*)

SHRI DIPEN GHOSH: He is making a maiden question as Congress (I) Member.

SHRI NIRMAL CHATTERJEE: He says that the Ministers have to understand, which is beyond their capacity.

SHRI A. G. KULKARNI: This is not a court to ask a pointed question. This is the parliamentary practice.

MR. CHAIRMAN: If you do not take the advice, you will get the answer you deserve.

SHRI J. VENGAL RAO: Sir, the most important step taken by the Government in recent times is the enactment of a comprehensive legislation, namely Sick Industrial Companies (Special Provision) Act 1985, which provides for setting up of the *quasi* judicial body, known as Board of Industrial and Financial Reconstruction It will look into all the difficulties.

SHRI A. G. KULKARNI: How does the Board come into the picture? It is the local nationalised banks which come into the picture.

SHRI ALADI ARUNA *alias* V. ARUNACHALAM: The figure of sick units is increasing at an alar-

ming rate. In 1980 it was 24550. In December 1985 it has increased, as stated by the Minister, to 119606. Out of this figure only 8569 units have been made viable. More than 19065 are not found viable. What is the reasons for this abnormal position? Is there any fraud or grave irregularity in borrowing the loan in the name of starting the industries? That is number one.

Number two, in Tamil Nadu more than 6 textile mills are classified as sick units——like the Vasantha Mills, Janardhna Mills etc. The Government of Tamil Nadu requested the Centre to take over these mills by the Textile Corporation, but it was not accepted. Then the Government of Tamil Nadu asked for aid from the Government under the Gujarat pattern. That was also negatived. Now the Government has constituted the Board for Industial Finance Reconstruction to deal with the sick units effectively. Will the Government consider our case favourably?

SHRI J. VENGAL RAO: I have already said there is no question of taking over any sick units. About Tamil Nadu, it is one of the topmost States for the sick industries. In Tamil Nadu there are 50 large units which are sick. The investment is in terms of Rs. 189.64 crores. For the small scale sector, the figure is 15,171 and the investment is Rs. 107.71 crores.

श्री शंकर सिंह वाघेला : क्या सभापति महोदय, इसमें बीमार यूनिटों की बात नहीं है, सरकार की नीति भी बीमार है।

श्री अश्विनी कुमार : सरकार भी बीमार है।

श्री शंकर सिंह वाघेला : चैयरमैन सर, सरकार दवा देती है, दुआ नहीं देती है, और यह जो सिकनैस हुई बैंक नेशनलाइजेशन के बाद, तो क्या सरकार राष्ट्रीयकृत बैंक के अधिकारी या राज्यों के जो फाइनेंशल इंस्टीट्यूशन्स हैं, जिनसे इंडस्ट्रियलिस्ट्स सब्सिडी या दूसरे लाभ लेने के लिये लोन लेकर यूनिट्स स्टार्ट करते हैं और उसके बाद यूनिट को धक्का मार कर उस अफिसर को 2 प्रतिशत कमीशन लोन के हिसाब से देता है, तो सरकार नेशनलाईज्ड बैंक के अफिसर या स्टेट के कितने फाइनेंशल इंस्टीट्यूशंस हैं, इसके लिये क्या कोई चैयरमैन जिम्मेदार होंगे, सरकार ऐसी कोई नीति तय करेगी ?

SHRI J. VENGAL RAO: As already mentioned, Government is not a hospital for giving admission to the sick units.

About the guidelines, I mentioned about banks. The Reserve Bank is monitoring and the various banking institutions are monitoring about the sick units.

MR. CHAIRMAN: Next question. No. 63.

SHRI VITHALRAO MADHAVRAO JADHAV: Sir, it is a very important question.

MR. CHAIRMAN: In the opinion of the Chair, there has been sufficient discussion on this question. Now Question No. 63.

SHRI GHULAM RASOOL MATTO: There can be half-an-hour ddiscussion later on.

MR. CHAIRMAN: You ask for it. I will consider it.

Rise in the prices of truck tyres

*63. SHRI N.E. BALARAM:
SHRI GURUDAS DAS GUPTA:†

Will the Minister of INDUSTRY be pleased to state:

(a) whether there has been an unprecedented rise in the prices of truck tyres in the market recently;

†The question was actually asked on the floor of the House by Shri Gurudas Das Gupta.